

"THE COMMUNISTS ALSO HAVE THEIR PROBLEMS"

This document has been approved for release through the HISTORICAL REVIEW PROGRAM of the Central Intelligence Agency.

ADDRESS BY ALLEN WELSH DULLES,
DIRECTOR OF CENTRAL INTELLIGENCE
BEFORE THE ADVERTISING COUNCIL, INC.,
19 September 1957
ST. FRANCIS HOTEL,
SAN FRANCISCO, CALIFORNIA

Date 3/30/92

HRP 89-2

It is a privilege to have this opportunity to recognize publicly the generosity of the Advertising Council in devoting so great a share of its time and resources in the general welfare. You have freely supported those great causes which promote domestically and internationally the ideals of our people. You have been in the forefront of campaigns to alert the people of this country to the dangers of alien and destructive movements such as international communism. As one in Government who has had the opportunity of judging of the effectiveness of this work, I wish to express gratitude.

It may seem a bit paradoxical that the Director of Central Intelligence should be addressing the Advertising Council. You represent the trend -- which seems quite irresistible -- that "it pays to advertise."

I am the head of the silent service and cannot advertise my wares. Sometimes, I admit, this is a bit irksome. Often we know a bit more about what is going on in the world than we are credited with, and we realize a little advertisement might improve our public relations. For major reasons of policy, however, public relations must be sacrificed to the security of our operations.

You and we, however, have much in common. We are both deeply concerned with the impact of ideas on human behaviour. In carrying out one of the Central Intelligence Agency's important tasks -- that of estimating future developments in the foreign field -- the ability to analyze public reactions is essential in our job. We, as you, have to judge whether ideas have a transitory value or will have an enduring effect upon the behaviours of people.

In particular, it is a fascinating study to follow the development of the ideas behind certain of the great revolutionary movements. Some such movements were promoted by religious fervor, some by brute military force, many by a combination of might and assertions of right. These movements have had their day -- long or short. Some have had broad geographic appeal -- some were limited to a particular area and the history of some has never really been deciphered. Our civilization, despite the dark ages, has been tough enough to survive the most vigorous and long-lived revolutionary assaults on mind and body.

Tonight I propose to give you the results of an analysis of the recent happenings within the Soviet Communist world and I shall be bold enough to draw certain conclusions which support my conviction that radical changes are taking place and more are in the making.

The initial ideological fervor, I believe, is seeping out of the international revolutionary communist movement, particularly in

the Soviet Union. Marxism was not designed for the atomic age of the mid-twentieth century. Effective as Communism has been in establishing control of two powerful nations and imposing its will on a number of Satellite countries, it is beginning to encounter difficulties in coping with the complex industrial and technological problems of today. Further, while some of the industrial and military achievements of both the USSR and Communist China have stirred the pride of its citizens, Communism has failed to devise a political system capable of commanding the loyalties of governed peoples without resort to the cruel barbarities of mass terror. It has satisfied neither the ideals, the aspirations, nor the needs of the people subject to its domination.

Accordingly, the leaders of international communism are being forced to review their situation and to consider major changes--changes which strike at the very heart of the system. The theories of Marx and Lenin proved useful window-dressing behind which the Communists established their monopoly of political power--the so-called dictatorship of the proletariat. These ideas are of little aid in guiding the Communist dictatorship in meeting the challenge of the world today.

What prophet is there left in Soviet Russia? Marx and Lenin are given lip service, but their advice and counsel have little applicability today. Stalin has been discredited - though his embarrassing remains are still on view in the Kremlin. Khrushchev is unlikely to blossom out as a creator of new Communist doctrine though his impetuosity and unpredictability remain a matter of grave concern in an international situation as tense as that of today. Mao retains his role as a prophet in China, but he, too, is having his troubles.

When Stalin disappeared from the scene a little less than five years ago, he left a clouded heritage. His later years of dictatorship had brought the Soviet Union close to war and disaster. Ventures in Greece, at Berlin, and finally in Korea had opened the eyes even of the credulous abroad. Domestically, harsh measures of forced industrialization and military buildup, successful as they were technologically, had left little place for meeting the needs of the people.

Moreover, the systematic cruelties of the secret police had created popular unrest, suspicion and despair. Khrushchev told us the story of how terror-ridden Soviet life had become in his now well-known secret speech at the 20th Party Congress over a year ago—a speech still unpublished in the Communist world. It was too strong medicine for popular consumption, although bits and pieces of it were allowed to leak out.

Stalin's successors had the difficult task of tempering a dictatorship but yet maintaining complete authority, of doing away with the Stalinist type of secret police repression and yet keeping the people under iron discipline, of maintaining a tight rein but still creating the impression, and giving some of the substance, of a new measure of freedom.

Beria found it hard to fit into this picture. He did not want to relinquish his personal control of the secret police through which he hoped to gain the top position. His plot was discovered and he was liquidated. Since then the military seems to have become the decisive element where force or the threat of force was required to support a political decision.

After the Beria crisis we were told that the dictatorship of the proletariat had become a collective leadership—more properly described as a collective dictatorship. True enough, the crisis of readjustment to the post-Stalin era brought together in uneasy harmony the surviving members of the governing body known as the Presidium of the Party. Many here at home and abroad wrongly estimated that this might be an enduring form of government. Actually bitter personal rivalries and basic differences of philosophies and outlook remain unreconciled.

The ultimate authority to make crucial decisions must rest firmly somewhere and that "somewhere" is unlikely for long to be

in a collective. Majority rule is appropriate for legislative and judicial bodies, but it does not function satisfactorily in the executive field, where decisiveness of action is essential.

For a time after Stalin's disappearance from the scene, Malenkov tried to lead the collective team, seemingly down a course which promised a better break for the people than they had ever had before. In 1955 he was forced to confess his incapacity and Khrushchev took over, committing himself, like his predecessor, to the collective rule formula.

Then, last June, the inevitable irreconcilable conflict of opinions emerged, the collective broke down and, with the approval of the military, in particular Zhukov, Khrushchev eliminated his rivals--Molotov and Kaganovich, who really felt that the old Stalinist and foreign policies were preferable, and Malenkov, who due to his relative youth, political experience, and apparent popularity, was a dangerous potential rival. At the moment, Khrushchev is busily engaged in implicating Malenkov in the crimes of Stalin's later days, classing him as "shadow and tool" of Beria. Since Beria was shot for treason, the threat to Malenkov is naked enough for all to see.

So the history of Soviet governmental changes repeats itself, although in a slightly different pattern from that of the two previous decades. Those recently purged have not yet been liquidated

like Beria or eliminated by mock trials such as those of the late 1930's. With a touch of almost sardonic humor, the miscreants have been assigned to the oblivion of Siberia or the darkness of Outer Mongolia.

It was the hand-picked Central Committee of the Communist Party, with the backing of the Army, which played the decisive role in last summer's changes in the high command. This suggests that the Presidium on its own can no longer deal with recalcitrant members, at least in a situation where the issues are closely drawn and where those to be eliminated are not in a hopeless minority.

The claim that the purpose of these changes was to get back to the pure Leninist Communism of the past is camouflage. No differing theories of Communist and Marxist dogma played a decisive role in this struggle. It was a question of power politics in a situation where hard decisions had to be made in both the domestic and foreign fields. There were in fact very deep and fundamental divergences of views among the members of the Presidium and the collective failed to function because the differences were not susceptible of compromise.

Three main issues divided the Soviet leaders. The first concerned the decentralization of industry.

After years of extolling the virtues of a centrally planned economy, some of the Soviet leaders have recently begun to stress

the need of local initiative to improve efficiency at the plant level. By the use of local resources, it was hoped to ease the burden on transport facilities, minimize duplication of effort and stimulate managerial initiative. Acting on these theories, Khrushchev recently forced through a program to decentralize away from Moscow many elements of control of the great Soviet industrial machine, in the most sweeping reorganization of the economic management machinery since the first Five Year Plan was adopted in 1928. Some 27 specialized economic ministries in Moscow were abolished and replaced by 105 regional economic councils.

Last June, several of Khrushchev's colleagues tried to reverse all this.

The reason for the reorganization is readily understandable if one tries to conceive of the bureaucratic mess which we would have if we attempted to manage from the Capital all the details of a growing industrial complex more dispersed geographically than that of the United States and approaching one-half of its size.

There should be eventual economic benefits from the decentralization, but Khrushchev's plan will create as many problems as it solves.

A long period of transitional confusion is certain while new administrative command and coordination channels are worked out. In the longer run, there is the danger for the Soviet Union that a

kind of economic provincialism will develop to threaten the dominance of the central government.

The reason for the bitter fight against this reorganization by many of Khrushchev's colleagues is clear. The decentralization will remove some of the power from the central government in Moscow and transfer it to the provinces. Here only two members of the Presidium are in a position to exercise real influence, Khrushchev, through his control of the party machinery throughout the Soviet Union, and the military, presently represented by Marshal Zhukov.

The second issue dividing the Soviet leaders in June last was the agricultural problem, often called the Achilles heel of the Soviet system. Khrushchev has been pressing for ever-increasing areas of State-controlled farm lands, on the pattern of the huge development he had started in the so-called "virgin lands" east of the Caspian, in order to make good the shortcomings of Communism's greatest fiasco -- the collectivized farm system. This involves some 80 - 100 million acres; larger than the entire wheat acreage of the United States.

For many years Soviet emphasis on heavy industry and military strength drained manpower and capital investments away from the farms, making agriculture the stepchild of the Stalinist economy. In contrast with the rapid growth rate of other parts of the Soviet economy, for the past twenty years Soviet production

of agricultural commodities has failed to increase as fast as the population of the USSR.

After all, soil conditions, rainfall and temperature do not favor the Soviet Union despite its vast area. Less than 10% of the country is likely to produce reasonable agricultural yields in normal years. Moreover, the combination of bureaucratic mismanagement, and Communist neglect of the motivating force of personal incentives had resulted in an inefficiency of farm labor so great that it takes about one farm worker to feed and supply every four persons in the USSR, whereas the ratio in the United States is about one for every sixteen persons. Hence, 45% of Soviet labor is on the farms as compared with 10% of American workers.

Khrushchev's responsibility for the policy of investing heavily in the semi-arid, agriculturally marginal "virgin" lands is very great. So far he has been lucky, with one excellent crop and one fair one. This year (1957) promises to be only fair and there is no doubt that many Soviet leaders fear a major crop failure as the moisture is used up in the new lands. Even Mikoyan, who has stuck with Khrushchev so far and now is probably the number two man in the party, is said to have been dubious about the "virgin" lands program.

The final success or failure of the program is still to be determined and Khrushchev's personal reputation is deeply involved.

He has promised his people equality per capita with Americans in milk and butter by 1958 and in meat by 1961. This latter would involve an increase of 3 1/2 times in Soviet meat production which, to say the least, is an ambitious program, even taking into account the noted fertility of the rabbit, which is included in the Soviet calculations as well as their claimed ability to produce a larger number of twin lambs.

Finally, a third point at issue between Khrushchev and his opponents lay in the related fields of foreign policy and policy toward the European Satellites. Here Khrushchev was attacked by Molotov and his followers for having weakened the Soviet position by his policy of reconciliation with Yugoslavia and by his Austrian settlement. He was, in fact, vulnerable to the charge of having opened the flood gates to revolt by stimulating support for the doctrine of "differing roads to Socialism," a heresy that is now threatening the monolithic structure of the Soviet empire.

For a time during the Hungarian Revolution, the ranks in the Soviet leadership had closed and Khrushchev personally as well as his opponents must bear the responsibility for the ruthless intervention in November 1956. The scars of dissent remained, however, and in the indictment of Molotov by the Central Committee, his Yugoslav and Austrian policies are the subject of particular criticism. Hungary goes unmentioned.

Moscow's future policy toward the European Satellites remains unresolved. Though Molotov was vigorously attacked for his mistaken attitude, Khrushchev, since the Polish and Hungarian revolts, has feared the contagious influence of granting more freedom anywhere. Certainly none of the Soviet leaders cares to remember the precepts of Lenin, who had this to say in 1917:

"If Finland, if Poland, if the Ukraine break away from Russia there is nothing bad about that....

No nation can be free if it oppresses other nations."

These were the major issues on which Khrushchev fought for, and by an eyelash won, the leadership of the Soviet Union.

There are many other burning problems facing the new group ruling the Soviet Union.

First of all, they have the problem of East-West contacts, which for propaganda purposes at least they strongly claim to favor. Can the leaders really permit the people of the USSR to have knowledge of the facts of life? Do they dare open up to the press, to radio, to television?

Except for certain supervised and guided tours, the answer to this so far seems to be "no." We can guess how frightened they are from their panicky warnings to Soviet youth about being deceived by the words of the American boys and girls who went to Moscow

recently for the big Soviet Youth Festival.

Similarly, they do not dare publish such documents as the Khrushchev secret speech, the U.N. report on Hungary, nor the basic attack on Communist doctrine by the Yugoslav, Djilas, in his recently published book, "The New Class."

Instead of dealing with such criticisms openly, Soviet leaders try to sweep them under the rug and keep their own people in the dark.

There was recently published in Moscow a highly realistic novel, with the eloquent title Not By Bread Alone. It evoked great popular interest in the USSR because it showed some of the seamier side of political life and bureaucracy in the Soviet Union today. All the big guns of the Soviet regime began to fire at the author, Dudintsev, and Khrushchev himself recently lambasted the book as misguided and dangerous. It is significant that they have not yet banned it. Probably they were too late in realizing its subtle attack on the foundations of the Communist system.

By and large the bulk of the Russian people still live in a dream world about everything outside the USSR, and the most tragic part about this is the distorted facts and fancies the Soviet leaders give their own people about the allegedly hostile attitudes of Americans toward them. The exchange of a few controlled travelling delegations is not enough. The barriers to information and knowledge must be torn down.

The Soviet leaders also have to deal with the problems created by their own educational system and by the development of an industrial and technical elite. Under the lash of its pell-mell industrialization program, the USSR in the past decade has enormously speeded up the education of the Russian people, particularly in the scientific and technical field. As a result, the USSR is turning out hundreds of thousands of graduates of schools corresponding to our high schools and colleges.

It is true that in their educational system they emphasize scientific and technical fields much more than social sciences and the humanities. But knowledge is not an inert substance. It has a way of seeping across lines and into adjacent compartments of learning. The Soviet leaders, I firmly believe, cannot illuminate their scientific lecture halls and laboratories without also letting the light of truth into their history and economics classrooms. Students cannot be conditioned to turning off their analytical processes when the instructor changes a topic.

Student and intellectual unrest is a troublesome challenge to a dictatorship. The Chinese Communists experimented briefly with placating critics by liberalizing their thought-control system -- enunciating the doctrine known as "let a hundred flowers bloom, let a hundred schools of thought contend." In the face of the far-reaching criticisms promptly voiced by Chinese intellectuals,

the Peiping regime quickly reversed itself and has only a few weeks ago resumed the practice of publicly executing students who dared to suggest that China's ills result in part from flaws in the Communist system itself.

The education which Soviet and Chinese Communist leaders give their people is a dangerous commodity for a dictatorship. Men and women who have their critical faculties sharpened are beginning to question why the Russian people cannot be freed from rigid Communist Party and police-state discipline, given a greater economic share of the fruit of their labors, and allowed to participate -- at least by an effective expression of consent -- in their own governing.

In the past the Soviets counted particularly upon their ability to appeal with success to the youth and the students. In 1905 Lenin wrote, "We are the party of the future but the future belongs to the young. We are the party of innovation, and it is to the innovators that youth always gladly gives its allegiance. We are the party of self-sacrificing struggle against the ancient rot, and the young are always readiest for sacrificial combat -- and we shall always be the party of the youth of the advanced class."

That proud boast could not be made today. The Hungarian students were ready for combat, but against the Soviets, not for them. The deep disillusionment of the Polish youth with the

Soviet-imposed version of Communism can be read in their brilliantly edited publications, and in spite of Soviet censorship there is evidence that they are read eagerly by those who can obtain them in the Russian universities.

The Soviet government can still organize massive propaganda circuses like the recent Moscow Youth Festival. They can train an ever increasing number of young scientists and technicians. They can bribe the ambitious with the rewards of power and special privilege in the swollen bureaucracy. But they are finding it increasingly difficult to enlist in their cause the self-sacrificing and idealistic young men that Lenin once so counted on and who are the real motive power of successful revolutionary movements.

The Soviet leaders also have the growing problem of the technical and managerial elite which has been created to run Soviet industry -- now being decentralized. It will not be easy to restrain this class of people from using its critical skills to question the cumbersome governmental and Communist Party bureaucracy and what it is doing -- or not doing -- to give the members of that elite a better life.

Probably it is out of respect for the growing perceptiveness of the people of Russia, and at least out of recognition of popular yearning for peace, that Soviet leaders have been forced to give lip service to disarmament, another grave problem before the Moscow

leaders. Now that the issue of conceding some form of inspection and control in the USSR is squarely presented, they are hesitating. This prospect goes against every tradition and instinct of the secretive and suspicious Communist dictators.

These are some of the practical issues which Khrushchev now faces. There is no easy solution. After all, dictatorships, whether of the Stalin or of the Hitler type, can for a time exact great sacrifices from their peoples and achieve great materialistic accomplishments. In fact, for a limited period, it may be easier for a dictatorship to make steel than bread and butter -- easier to build a mighty war machine than to satisfy the moral, spiritual and material needs of a great and diverse people. This is certainly the case with the Communist dictatorship in the USSR.

Today Communism is more valuable as an article of export than it is as a solution for the problems of a country like the Soviet Union, which is making great strides in fields of material progress, but which has still found no way of creating a government which can meet the needs and aspirations of its people.

Undoubtedly in many areas of the world, particularly those recently freed from Colonial rule, the image of Communism still has an appeal. It seems to combine the advantages of strict discipline at the top with the promise of quick industrialization.

These factors appeal to new nations struggling with the task of making a government work among peoples who have had little experience with it and who at the same time have the desire to become quickly an industrial force in their own right.

The politically unsophisticated peoples of the underdeveloped nations have yet to learn what the peoples of the Communist world are slowly coming to understand about Marxism and industrial growth. Djilas, the Yugoslav Communist heretic, put it well:

"Modern Communism began as an idea with the inception of modern industry. It is dying out or being eliminated in those countries where industrial development has achieved its basic purposes. It flourishes in those countries where this has not yet happened."

In fact, I would add to this that the force of ideological Communism seems weakest in those countries like the USSR, where it has been the longest in control. It has its strongest appeal to the minds of these peoples in the underdeveloped areas of the world where they have had no practical experience with it.

Viewed in broad perspective, Communism is only one of the many great revolutionary movements that have swept into world history. Such movements seemed to combine an ideology or a faith expressed as a program of action; and a discipline through a

political or military machine capable of organizing the energies of the people in order to carry out the ideas that have captured their imaginations and loyalties.

I realize that historical analogies are notoriously treacherous. But there may be food for thought in comparing the evolution of Soviet Communism with the classical periods of revolutionary movements. Possibly the closest parallel in history is with the French Revolution.

The pattern seems to be this: the intellectuals desert their political institutions and adopt what they call a "Reform Program." Then, revolutionary elements take over from the intellectuals and seize power, generally beginning with the moderates of the Danton type, and passing through the extremists like Robespierre, with a reign of inhuman zeal and terror. Successive groups of leaders are destroyed with each change in the tempo of the revolution. As Vergniaud said in the course of the French Revolution, "The Revolution, like Saturn, devours its own children." Eventually, human nature rebels and demands a more normal life. Then the practical political and military leaders depose the extremists.

Finally, in the case of the French Revolution, there was the temptation, to which they quickly yielded, to indulge in foreign military adventure, and -- eventually the access to power of the military man on horseback, Bonaparte. There is, naturally,

considerable speculation these days as to whether this last phase of the French Revolution will be repeated in the case of Soviet Communism. I have no crystal ball answer, but certainly military dictatorship is one of the possible lines of evolution in the Soviet Union.

From this analysis of developments in the Soviet Union, it is fair to conclude that I believe that the old Communist dialectic of Marx, Lenin and even Stalin does not answer the problems of the Soviet Union today -- either those of its industrial growth or of its lasting control over the great peoples living within the Soviet Union.

It would flow from this that Khrushchev and whoever he may associate with himself in the leadership, assuming he keeps his control for a time, will have to determine how they are going to accomplish this dual task. Will they meet it by further relaxation, thereby increasing the moral and industrial potential of the Soviet Union itself, and the prospects of peace, but risking the loss of the Satellite countries? Will they attempt a reversion to something like Stalinism under another name as some of the tough, uncompromising language and actions from Moscow of recent days would suggest? Or will they be tempted to risk foreign venture with a view to uniting their people and their energies to meet alleged enemies they claim are encircling them?

These are the issues. I would not wish to suggest that what I have referred to as the decline of the Marxist Communism has left the Soviet Union materially weak in facing them. The Soviet may be ideologically less menacing, technologically its power is still increasing.

Throughout the entire revolution, once the Communist regime was firmly established in Russia, the emphasis was placed on heavy industry, and on building up the war machine. This has been a constant policy and has been one phase of Soviet life that has not been affected by changing leaders or interpretations of Communist ideology. After all, the men who are at the helm in the Soviet Union are not the original revolutionary heroes. Khrushchev and Mikoyan and their henchmen belong to the ever-present class of political careerists who see in a revolutionary movement the path to power and privilege. They did not make the revolution, like Lenin. It made them, and they want above all else to preserve their positions.

While Marxism at one time or another has invaded most segments of Soviet life, including the army with its political commissar and indoctrination agents, those who have planned the Soviet military buildup have been little hampered by it. In their concentration on the fields of nuclear energy, aircraft design and construction, and the development of guided missiles, they experienced little ideological interference except during brief periods of Stalin's last hectic days.

Take, for example, the case of guided missiles. Here they never ceased work from the days of 1945 when they took over the German missile installation at Peenemuende with its rockets of a range between 150 to 200 miles. Now we know they have developed modern missiles of many times the power and efficiency of the German wartime models.

The Soviet Union which we face today presents a series of contradictions. Its leader has practically unrestrained power except for such control as the military may exercise, backed by a formidable war machine—a leader committed by his express policies to improve the lot of his people, and presumably committed also to relax the harsh controls of Stalin which he has described so vividly himself and which he purports to abhor.

At the same time, this leader, Khrushchev, faces the dilemma that any substantial relaxation at home or abroad, given the nature of the Communist dictatorship as it has evolved, may spell his own downfall. For he faces, and he knows it, a people who are questioning the basic tenets of Marxist Communism, and in particular a student body that is becoming more and more vocal in demanding the truth and may not be satisfied with half measures.

The Communist leaders are also facing a growing body of highly educated, technologically competent men and women in the

field of industrial management and production. It may prove impossible for them to stop the growing wave of intellectual unrest in the Soviet Union. Khrushchev cannot turn back education or stop technological development and keep the USSR a great power.

Yet Khrushchev seems to be in a hurry to solve a whole series of such problems as I have described and gain the personal success necessary to maintain his own position.

In addition to all this, he has deeply committed himself in certain foreign adventures, particularly in the Middle East -- partly, it may be assumed, to distract attention from problems at home and in the Satellites. All this rightfully makes us cautious in our judgments and does not suggest that there are any quick or easy ways out in our relations with the USSR.

But over the longer range, we can rest assured that revolutionary Communist tyranny cannot provide a final answer or a satisfactory answer to the needs of a civilized community. No power on earth can restore the myth that Communism is the wave of the future after 10 million Hungarians, after a decade of experience with it, and at the risk of their lives, gave it such a resounding vote of no confidence.

The people of Russia, if given the time to continue their evolution to freedom out of the narrow bounds of Communist dictatorship, will themselves help to find a peaceful answer.